

ANNUAL BUDGET PRESENTATION

For the Fiscal Year Beginning July 1, 2011

City of Grosse Pointe

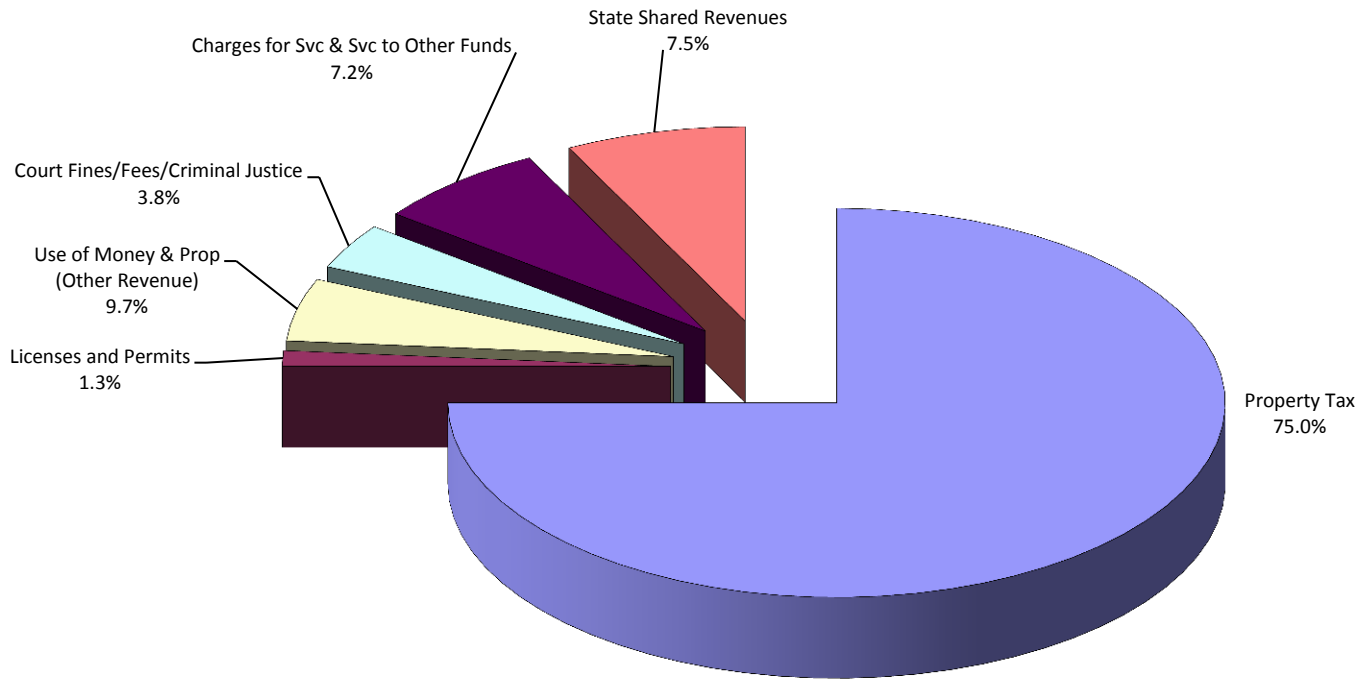
- The City Administration is pleased to present a balanced budget for fiscal year 2011-2012 without a property tax rate increase



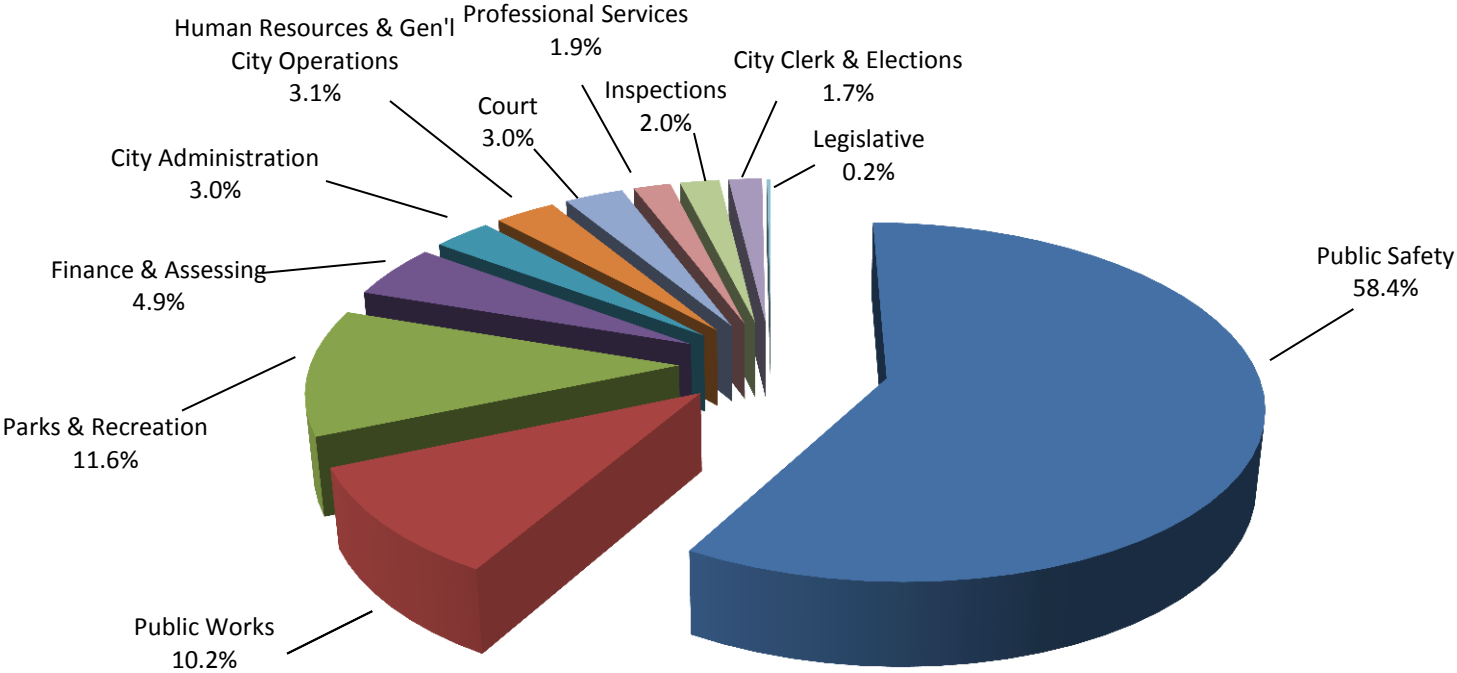
Budget Summary

- General operations levy of 11.8391 mills remains the same
- Assumes no employee salary increases
- Assumes increased employee health care contributions as of January 2012.
- Reduces FTE's by 3.50
- Eliminates general fund subsidy of solid waste fund
- Increases the water/sewer rate
- Does not include the consolidation or sharing of police dispatch services
- Includes the elimination of Michigan Marina Day and the Haunted Halloween Bathhouse.
- Does not fill vacant public safety position but retains current manpower per shift

City of Grosse Pointe Budgeted Revenue 2011 - 2012



**City of Grosse Pointe
Budgeted Operating Expenses
2011 - 2012**



Property Taxes & Assessments

- Overall decrease in property tax revenues of 4.38%
- an amount \$183,210 less than last year
- The average residential assessment was reduced by 5.5% following an average 9% reduction last year
- There was essentially no inflation adjustment applied statewide
- The gap between the Taxable Value of residential property and the State Equalized Value is virtually gone

State Shared Revenue

- State Shared Revenue continues to decline
- According to Governor Snyder's proposed budget statutory revenue sharing will be completely eliminated
- Down more than 42% since 2001 when revenue was approximately \$270,000 higher

General Fund - Revenues

- Overall budgeted revenues decreased by 6.1%
- Statutory Revenue Sharing is expected to be eliminated
- Investment income is becoming almost obsolete

General Fund - Expenditures

- Overall decrease in total General Fund expenditures of 6.0%
- All departments were decreased on average 5.5% less than last year

Capital Projects Fund

- Tracks revenues and expenditures related to major general capital equipment, facilities and infrastructure purchases, improvements or construction
- Two Projects:
 - Upgrade public safety radio system for interoperability
 - with County grant
 - Replace Finance Department accounting software

General Debt Fund

The Fund pays for:

- 1994 Building Authority Bonds for the new municipal building - financed with general property tax revenue
- 2011 Unlimited Tax General Obligation Bonds for the Neff Park swimming complex – funded from a taxpayer voted millage
- .6476 mills decreased to .6344 to cover cost of paying for pool construction bond, due to refinancing of bonds

Solid Waste Fund

- Solid Waste subsidy by General Fund eliminated.
- The existing Cushmans are expected to last another year enabling the retention of rear yard pickup for at least 1 more year
- Fee increases:
 - Bulk metal pickup fee increased from \$35 to \$50
 - Commercial pickup increased from \$4.50 to \$5 per cubic yard and will be assessed to all nonresidential properties
 - New fee for extra trip garbage and yard waste collections will be \$50

Water & Sewer Fund

- Increase in water & sewage service rate
 - ✓ Increase will be approximately \$2.50 per quarter for average residents
 - ✓ Increase will be more significant for residents with lower usage.
- Capital outlay of \$2,052,159 to fund an expanded 12" water main along Mack Avenue, per Capital Improvement Plan

Parking Fund

- Includes debt payments and operational costs for the Village Parking Structure
- No increase in parking fees
- Reconfiguration of Lot 3 (behind Ace) budgeted for construction
- Paid entirely from parking revenues which is generated by people parking in the City.

Highway Fund

- Anticipate \$281,800 in State Sharing of gas & weight taxes
- Capital expenses of \$250,000 are planned for resurfacing local streets
- Projects:
 - One block of Lakeland resurfacing
 - Engineering costs for Waterloo resurfacing

Marina Fund

- No increase in Marina Well Fees
- Decreased revenues projected, but expenses still covered
- Revenues continue to provide funds to repay the loan from the General Fund

Drug Forfeiture Fund

- Revenue from drug related property seizures and drunk driving offenses
- Public contributions toward the drug dog program and related expenses
- Funds collected help to fund replacement of command vehicle for the Public Safety Department

Thank You

- Mayor and City Council
- Department Directors
- City Staff